

INTRODUCTION TO GRANT CONTRACT

**Introductory Training for Award Winners
under EaP Territorial Cooperation Programme
Armenia - Georgia**



This Programme is funded by the European Union
and the German Government



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IMPORTANT NOTICE

**Information given in this presentation file is
neither complete nor legally binding!!!**

**Always consult with individual Grant Contract
and to PRAG for relevant regulations!**



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COMPOSITION OF THE GRANT CONTRACT

Special Conditions:

- Annex I: Description of the Action (including the Logical Framework of the Project)
- Annex II: General Conditions applicable to European Union-financed grant contracts for External Actions
- Annex III: Budget for the Action (worksheets 1, 2 and 3)
- Annex IV: Contract-award procedures
- Annex V: Standard request for payment and financial identification form
- Annex VI: Model narrative and financial report
- Annex VII: Model report of factual findings and terms of reference for an expenditure verification of an EU financed grant contract for external action
- Annex VIII: Model financial guarantee
- Annex IX: Standard template for Transfer of Asset Ownership



IMPORTANT NOTICE:

In the event of conflict between:

- the provisions of the grant contract's Annexes and those of the Special Conditions, the provisions of the **Special Conditions shall take precedence;**

- the provisions of Annex II and those of the other annexes, those of **Annex II shall take precedence**



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PARTIES OF THE CONTRACT

- The term "Coordinator" refers to the Beneficiary identified as the Coordinator in the Special Conditions.
- The term "Beneficiary(ies)" refers collectively to all Beneficiaries, including the Coordinator, of the Action. When there is only one Beneficiary of the Action, the terms Beneficiary(ies) and Coordinator should both be understood as referring to the only Beneficiary of the Action.
- The term "party(ies) to this Contract" refers to the party signatory of this Contract (i.e. the Beneficiary(ies) and the Contracting Authority).



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IMPLEMENTATION VS. EXECUTION PERIOD

- The implementation period equals the number of months written at art. 2.3 of Special Conditions.
- The execution period will end when the final payment is paid by the CA and no later than 18 months as from the end of the implementation period.



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AMENDMENT OF THE CONTRACT

- Amendment to the contract shall be set out in writing and only within the execution period
- Maximum grant as referred in to the 3.2 Article of Special Conditions, may not be increased.
- Coordinator shall submit a duly justified request to the Contracting Authority thirty days before the date on which the amendment should enter into force.
- Where the amendment to the Budget of the Description of the Action does not affect the basic purpose of the Action, a transfer between items within the same main budget headings excluding cancellation or introduction of an item involving variation of 25% or less and a transfer between main budget headings involving a variation of 15% or less of the amount originally entered (or as modified by addendum) in relation to each concerned budget line or heading for eligible costs, the Coordinator may amend the budget and inform the Contracting Authority accordingly, in writing and at the latest in the next report.

These transfers cannot be applied to indirect costs.



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TERMINATION

IF:

- the Beneficiary is bankrupt or being wound up, is having its affairs administered by the courts or is in similar situations,
- fraud, corruption, substantial errors, involvement in a criminal organization or any other illegal activity are identified,
- grave professional misconduct of beneficiary or partners of the Beneficiary are identified,
- the Beneficiary fails, without justification, to fulfil any of the obligations arising from the grant contract,
- the Beneficiary makes false or incomplete statements to obtain the grant,
- the Contract can no longer be executed effectively or appropriately,
- the Beneficiary provides reports that do not reflect reality,
- the Beneficiary has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes.



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RECOVERY

- ❑ If any amount is unduly paid to the Coordinator, or if recovery is justified under the terms of this Contract, the Coordinator undertakes to repay the Contracting Authority these amounts.
- ❑ In particular, payments made do not preclude the possibility for the Contracting Authority to issue a recovery order following an expenditure verification report, an audit or further verification of the payment request.
- ❑ The Coordinator undertakes to repay any amounts paid in excess of the final amount due to the Contracting Authority within 45 days of the issuing of the debit note, the latter being the letter by which the Contracting Authority requests the amount owed by the Coordinator.



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